Structural Inflation

Discriminatory Wages and Price Drivers

Monthly Bulletin for Consumer Price Index and Inflation in Syria

Issue (3) – March 2026

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Executive Summary

The inflation dynamics observed in March 2026 indicate that price pressures in Syria remain persistent and structurally embedded rather than temporary. The Consumer Price Index (CPI) recorded a month on month (M-o-M) inflation rate of 2.6 per cent in March 2026 compared to February 2026, confirming that inflationary pressures continued to intensify during March across the main consumption groups. In particular, the housing, water, electricity, gas, and other fuels group registered a monthly increase of 3.3 per cent compared to February, which suggests ongoing instability in the cost of essential services associated with rent and energy.

At the same time, inflationary pressures in food markets reinforce this broader trend. Pressures persisted in the food and non-alcoholic beverages group, where prices increased by 3 per cent on a monthly basis, indicating that food inflation remains a key driver of overall price dynamics. This increase was driven by supply bottlenecks and rising transportation and production costs, in addition to seasonal factors associated with increased demand during Ramadan and the approach of Eid, which together point to both structural and cyclical drivers of price increases.

Within this broader context of rising living pressures, the spatial dimension of inflation further underscores its structural nature. The monthly inflation data for March 2026 reflects the persistence of inflationary pressure across all Syrian governorates, following the elevated inflation wave recorded in February (6.5 per cent), suggesting that inflationary momentum has not subsided. However, inflation varied across governorates, reflecting differences in economic structures as well as monetary and trade linkages between regions, which highlights the fragmented nature of the Syrian economy.

This fragmentation becomes particularly evident in northwest Syria. Northwest Syria, particularly Idleb and parts of Aleppo, stands out as the most exposed to externally driven inflationary pressures due to its reliance on the Turkish Lira (TL), indicating a high degree of vulnerability to external shocks. The depreciation of the TL in the context of regional tensions has led to a direct transmission of inflationary pressures through the prices of imported goods—especially food, fuel, and even electricity supplied by Turkish companies—thereby reinforcing the role of exchange rate dynamics in shaping local price levels.

More fundamentally, the inflation pattern observed in March extends beyond price movements to reveal deeper structural changes in income distribution. However, the distinctiveness of March extends beyond prices to wages, as discriminatory wage policies have emerged as a key factor deepening disparities within the public sector itself. Differences between employees with similar qualifications and responsibilities have transformed wages from a tool of social protection into an instrument of sectoral and institutional segmentation, indicating a shift in the function of wage policy.

Amid these structural imbalances, monetary factors continue to play a critical role in shaping inflation dynamics. The Central Bank of Syria has continued its liquidity-tightening policy implemented since the fall of the regime and has maintained the official exchange rate (for remittances and exchange operations) at SYP 11055 per United States Dollar (USD) for the tenth consecutive month, suggesting a policy focus on nominal stability. Meanwhile, the parallel market experienced notable fluctuations, with the exchange rate ranging between SYP 11771 and SYP 12402 per USD, reflecting underlying pressures that are not captured by the official rate.

From an income perspective, the data further confirms the structural imbalance between wages and living costs. The monthly price survey indicates that the average monthly wage of a university-educated public sector employee (at entry level) in Syria reached approximately SYP 1.13 million in March 2026, while the average monthly wage in the private sector stood at SYP 1.25 million, and employees in the civil sector earned approximately SYP 2.9 million during the same period. These figures illustrate the variation across sectors but also highlight broader income constraints.

Despite these nominal levels, incomes remain structurally insufficient. Incomes remain insufficient to meet minimum living requirements, as the abject poverty line for a household at the national level reached SYP 3.20 million per month in March 2026, while the upper poverty line reached SYP 6.95 million, indicating a significant gap between earnings and basic needs.

This gap reflects a deeper systemic issue in income adequacy. An analysis of the coverage ratios of average wages relative to poverty lines in Syria reveals a deep structural crisis in income adequacy, particularly in both the public and private sectors. At the national level, the overall average reflects a severe deficit, as the wages of a university-educated public sector employee fall short by 64.5 per cent of the abject poverty line. This gap widens further to exceed 83.7 per cent when compared to the upper poverty line, underscoring the extent of income erosion under persistent inflation.

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Acronyms and Abbreviations

AA	Autonomous Administration
CPI	Consumer Price Index
GoS	Government of Syrian regime
M-o-M	Month on month
SCPR	Syrian Center for Policy Research
SIG	Syrian Interim Government
SSG	Syrian Salvation Government
SYP-GA	SYP-Governed Areas
SYP	Syrian Pound
TL	Turkish Lira
TL-GA	TL-Governed areas
USD	United States Dollar
Y-o-Y	Year on year

Cost Inflation in Syria: Discriminatory Wages and Price Drivers

1. Preamble

This bulletin provides an independent assessment of consumer prices and inflation rates across all Syrian governorates, based on a monthly price survey conducted by the Syrian Center for Policy Research (SCPR) since October 2020. The assessment relies on a methodology developed by the Center to calculate the Consumer Price Index (CPI), incorporating the components of the consumer basket, weighting structure, and market selection. This bulletin draws on the monthly consumer price survey covering 58 markets and 112 goods and services across different governorates and areas of control in Syria, based on the 2021 base year (SCPR's Consumer Price Index in Syria).

This bulletin presents the results of the monthly consumer price survey, reviewing the Consumer Price Index (CPI) for March 2026 (base year 2021), disaggregated by regions and main groups of goods and services. Based on the price index, the bulletin estimates the cost of living and poverty lines at the local level across all Syrian regions.

Prior to Eid al-Fitr, Legislative Decree No. 67 of 2026 was issued, granting a 50 per cent increase in fixed wages and salaries for workers in the public and joint sectors, including broad categories of temporary, seasonal, and contracted workers. However, the same decree excluded certain categories already benefiting from other qualitative increases and also excluded retirees[1]. On the same day, Legislative Decree No. 68 of 2026 was issued, introducing qualitative wage increases for eight public entities, namely: the Ministry of Health, the Ministry of Higher Education and Scientific Research, the Ministry of Awqaf, the Central Bank of Syria, the Central Commission for Control and Inspection, the Central Agency for Financial Control, and the Atomic Energy Commission[2].

This differentiation reflects a shift in the function of wage policy from a general social instrument to a selective one, indicating that the government is prioritizing certain sectors over others. This approach reproduces inequality within the public sector itself and reinforces a widening gap between sectors (favoured versus marginalized sectors). It also deepens disparities between employees and retirees, who were excluded from wage increase decrees despite having lower incomes and greater needs, particularly in the context of persistent inflation in the country.

Legislative Decree No. 69 of 2026 was also issued to regulate tax and fee exemptions for commercial, industrial, and tourism establishments affected by the war. This is implemented through the formation of damage assessment committees and the granting of exemptions proportional to the level of damage, with application beginning in 2026[3]. In parallel, Legislative Decree No. 70 of 2026 was issued to address non-performing debts and restructure loans in public banks, including exemptions from contractual and penalty interest and fines, depending on the size of the debt and the speed of repayment. The decree also allows for rescheduling large debts for up to three years, conditional on a goodwill payment of 15 per cent[4].

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[1] Al-Thawra Newspaper. (2026, March 20). Official Decisions: Legislative Decree No. 67 of 2026.
[2] Al-Thawra Newspaper. (2026, March 20). Official Decisions: Legislative Decree No. 68 of 2026.
[3] Al-Thawra Newspaper. (2026, March 20). Official Decisions: Legislative Decree No. 69 of 2026.
[4] Al-Thawra Newspaper. (2026, March 20). Official Decisions: Legislative Decree No. 70 of 2026.

On 24 March, the Ministry of Finance adopted a revenue-oriented measure by introducing an advance tax payment of 2 per cent on import invoices, conditional upon prior tax clearance[5]. While the government justified this measure as an effort to combat shell companies and tax evasion, its repercussions are expected to be negative for liquidity and prices.

In terms of foreign trade, Jordanian Decision No. (34) of 2026 reflects both quantitative and qualitative changes in the conditions governing the entry of Syrian goods into the Jordanian market. On one hand, the decision lifted restrictions and bans imposed on several Syrian goods since 2019. On the other hand, it introduced protective tariffs on key commodities—particularly food and textiles—reaching between 20–30 per cent[6] in some cases, thereby directly increasing the final cost of Syrian goods in the Jordanian market.

At the same time, this decision coincided with the March 2026 agreement allowing truck transit without transshipment[7], which reduces logistical costs by an estimated 10–15 per cent due to shorter waiting and unloading times. Accordingly, the net effect on the competitiveness of Syrian products can be summarized as follows: a reduction in transport costs is offset by a greater increase in customs costs. In practice, this implies that low-margin goods will lose their competitiveness, while higher-value or niche-demand goods may continue to access the market, albeit with lower profit margins.

The National Committee for Import and Export (headed by the Director General of the General Authority for Land and Sea Ports) also extended permission to import broiler chicken until the end of April[8], as well as hatching eggs and chicks for rearing[9]. In addition, on 27–28 March, the import of potatoes was authorized for the month of April due to weak supply from the autumn harvest[10].

These measures indicate that the transitional government, through its import and export committee, is relying on short-term solutions to address supply bottlenecks by opening imports rather than supporting domestic producers. Notably, government policies—particularly decisions to increase fuel prices—have been among the main drivers pushing producers out of production. This has resulted in an imbalance between production and imports, with many producers exiting production and some shifting into import activities instead.

In light of the above, the March 2026 price bulletin provides an integrated reading that links these policies to their impact on prices, allowing for a more comprehensive understanding of price trends during the month.

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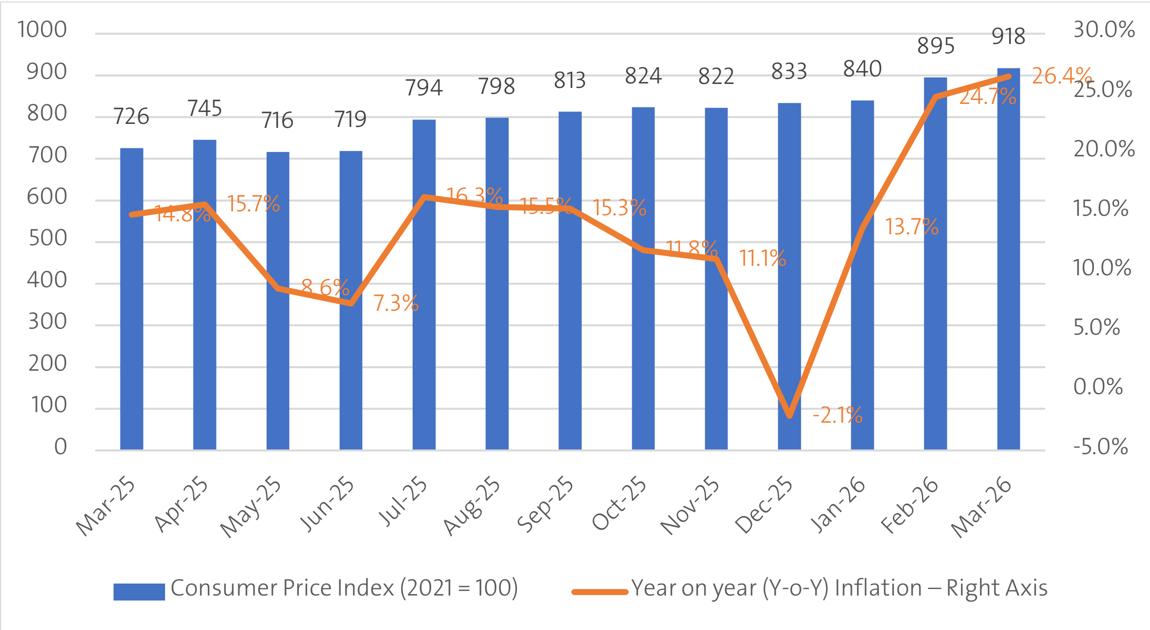
[5] Al-Thawra Newspaper. (2026, March 24). Official Decisions: Ministry of Finance Decision No. 422/Q.
[6] Ministry of Industry, Trade and Supply of Jordan. (2026, March 26). Decision No. 34 of 2026.
[7] General Authority for Land and Sea Ports. (2026, March 13). Damascus and Amman Discuss Enhancing Logistics Integration and Facilitating Trade Movement Through Ports and Border Crossings.
[8] Al-Thawra Newspaper. (2026, March 26). Official Decisions: National Committee for Import and Export Decision No. 8 of 2026.
[9] Al-Thawra Newspaper. (2026, March 26). Official Decisions: National Committee for Import and Export Decision No. 7 of 2026.
[10] Al-Thawra Newspaper. (2026, March 26). Official Decisions: National Committee for Import and Export Decision No. 9 of 2026.

2. Annual Inflation in Syria March 2026

The Consumer Price Index (CPI) for March 2026 reflects the persistence of the upward trajectory of prices, with the year on year (Y-o-Y) inflation rate reaching 26.4 per cent compared to March 2025. The index increased from 726 points (base year 2021=100) to 918 points, reflecting a widening price gap over the course of one year. This development indicates that inflationary pressures remain embedded within the structure of the Syrian economy, alongside the influence of monetary and structural factors that constrain the stability of the general price level.

The tobacco group recorded a high annual inflation rate of 47 per cent in March 2026, driven by rising prices of domestically produced tobacco alongside an influx of imported tobacco in the market. This was followed by the housing, water, electricity, gas, and other fuels group, which registered a significant annual inflation rate of 35.8 per cent in March 2026 compared to the same month of the previous year. This increase was primarily driven by a sharp rise in both actual and imputed housing rents, which surged by a record 59 per cent, as well as water supply and related services, whose prices increased by 42 per cent.

Figure (1): Consumer Price Index (CPI) and (Y-o-Y) Inflation in Syria during the period (March 2025 – March 2026), (Base Year 2021 = 100) and (Inflation in per cent)



Source: Syrian Center for Policy Research (SCPR) 2025 and 2026, Monthly Consumer Price Survey in Syria.

Prices in the food and non-alcoholic beverages group also increased by 28.9 per cent, with varying increases across its components. These included fruits (52.6 per cent), meat (41.3 per cent), pulses and vegetables (40.4 per cent), oils and fats (38 per cent), bread and cereals (17 per cent), milk, cheese, and eggs (15 per cent), and coffee, tea, and cocoa (16 per cent).

At the same time, prices in the education group rose by 19.6 per cent, despite the restructuring of some educational institutions and the alignment of fees with those of public and private universities during the current academic year. Prices in the health group increased by 9.5 per cent, accompanied by a decline in the quality of health services—particularly in public hospitals—due to limited funding.

Prices also increased in the miscellaneous goods and services group by 23 per cent, in the household furnishings, equipment, and routine maintenance group by 15.9 per cent, and in the clothing and footwear group by 5.4 per cent.

Table (1): Year on year (Y-o-Y) and Month on month (M-o-M) Inflation of Consumer Prices in Syria for March 2026 by Consumption Groups (Base Year 2021 = 100)

#	Group	CPI March 2025	CPI February 2026	CPI March 2026	Y-o-Y Inflation	M-o-M Inflation
	All commodities	**726**	**892**	**918**	**26.4%**	2.6%
1	Food and non-alcoholic beverages	538	673	694	28.9%	3.0%
2	Tobacco	406	598	598	47.2%	0.0%
3	Clothes and shoes	591	632	623	5.4%	-1.5%
4	Housing, water, electricity, and other fuel oils	1199	1,566	1,628	35.8%	3.3%
5	Household equipment, supplies, and maintenance	503	600	583	15.9%	-2.9%
6	Health	754	825	826	9.5%	0.1%
7	Transportation	961	863	881	%8.3-	2.1%
8	Communications	231	207	202	%12.7-	-0.4%
9	Entertainment and culture	486	472	481	%1.2-	1.8%
10	Education	729	864	873	19.6%	1.0%
11+12	Various commodities and services	709	846	874	23.3%	3.3%

Source: Syrian Center for Policy Research (SCPR) 2025 and 2026, Monthly Consumer Price Survey in Syria.

On the other hand, some consumption groups recorded a year on year (Y-o-Y) decline in prices. Transport prices decreased by 8.3 per cent, communication prices declined by 12.7 per cent, and recreation and culture prices fell by 1.2 per cent.

The primary driver behind the decline in transport prices is the government's decision to reduce fuel prices in November 2025, which coincided with an increase in electricity tariffs following the adoption of significantly elevated pricing levels throughout the period after the fall of the regime[11].

In addition, the liberalization of consumer goods imports, the reduction of customs duties on mobile phones, and the integration of new areas into local telecommunications networks (Idleb and Aleppo countryside)—replacing relatively high-cost foreign service providers (e-LUX and Turkcell)—have contributed to lowering communication costs.

[11] On 10 December 2024, the price of subsidized gasoline was increased to USD 1.294, then reduced to USD 1.16 on 21 December 2024. This price remained in effect throughout 2025 until it was further reduced to USD 0.85 on 12 November 2025, coinciding with an increase in electricity prices. As for diesel used for heating and transportation, its price was raised to USD 1.069 on 10 December 2024, then reduced to USD 1.028 on 21 December 2024, and subsequently lowered to USD 0.75 in November 2025. The reduction in gasoline prices contributed to a decline in both intra-city and inter-governorate transportation fares.

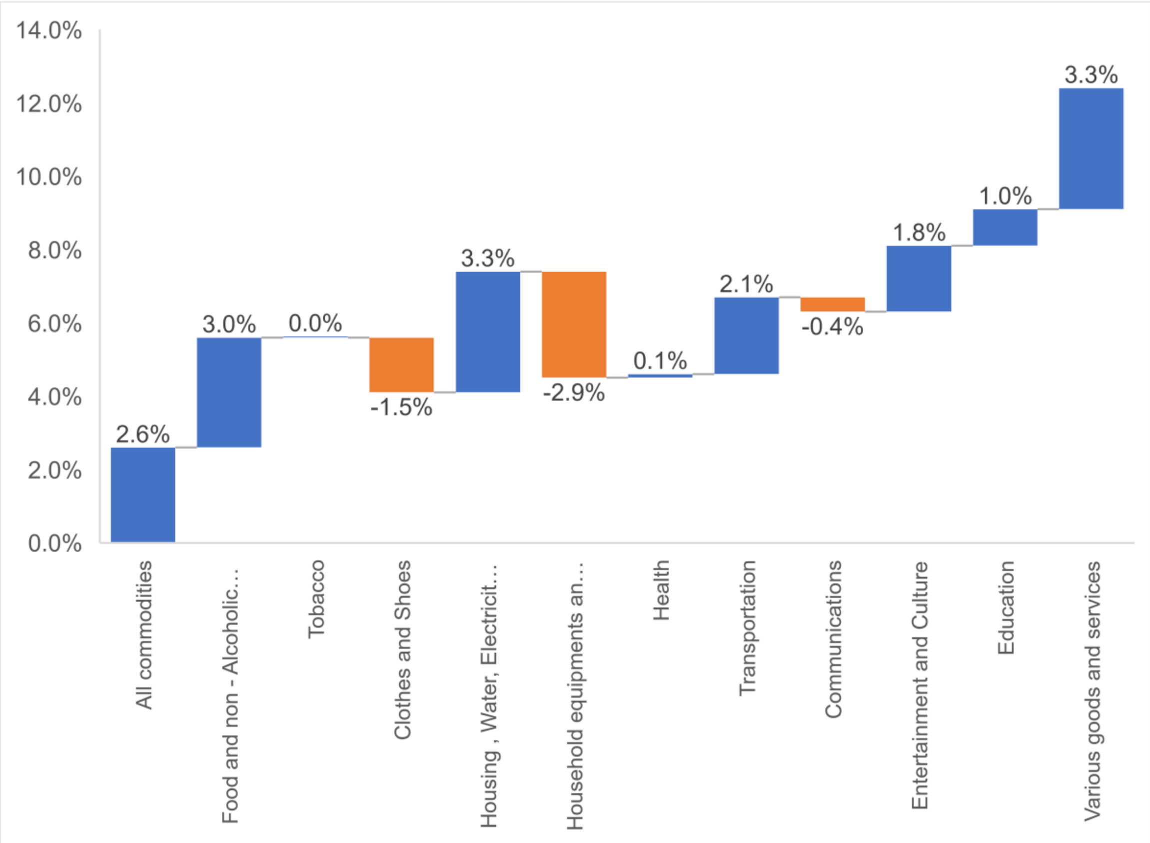
3. Monthly Inflation – March 2026

The Consumer Price Index (CPI) recorded a month on month (M-o-M) inflation rate of 2.6 per cent in March 2026 compared to February 2026, driven by a combination of factors, most notably exchange rate fluctuations, rising transportation and energy costs, and import-related decisions.

All major consumption groups recorded monthly changes ranging between contraction and increase, indicating the persistence of variation and mounting price pressures—particularly in essential goods and services. Prices in the housing, water, electricity, gas, and other fuels group increased by 3.3 per cent, while prices in the food and non-alcoholic beverages group rose by 3 per cent. Transport prices increased by 2.1 per cent.

In contrast, prices in the household furnishings, equipment, and routine maintenance group declined by 2.9 per cent following the sharp increase recorded in the previous month. Communication prices decreased by 0.4 per cent, coinciding with the integration of Ar-Raqqa and Deir-Ezzor into the Syrian telecommunications network. Prices in the clothing and footwear group declined by 1.5 per cent, as the approach of Eid al-Fitr compelled clothing retailers to offer discounts due to weak consumer demand.

Figure (2): Month on month (M-o-M) Inflation of Consumer Prices in Syria by Consumption Groups – March 2026 (in per cent)



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

3.1. Month on month (M-o-M) Inflation by Consumption Groups

The following analysis reviews the main commodity and service groups that recorded varying levels of inflation or notable changes in their price indices during March 2026, based on a month on month (M-o-M) comparison with the previous month of February.

3.1.1. Housing, Water, Electricity, Gas, and Other Fuels Group

Inflationary pressures persisted in the housing, water, electricity, gas, and other fuels group during March 2026, which recorded an overall monthly increase of 3.3 per cent compared to the previous month of February. This price acceleration reflects ongoing instability in the cost of essential needs.

At the sub-group level, water supply and miscellaneous housing-related services recorded the highest increase at 5.1 per cent, followed closely by maintenance and repair of dwellings at 4.8 per cent. These increases are associated with regional tensions, risks of supply disruptions, and rising transportation and energy costs, as prices of construction-related inputs—such as iron, cement, and paint—rose by between 10 and 20 per cent.

This was followed by actual and imputed rental contracts, which increased by 3.4 per cent. This rise contributed to an increase in the average monthly rental value of housing at the national level, reaching approximately SYP 2.27 million, up from around SYP 2.2 million in the previous month.

Finally, electricity, gas, and other fuels recorded an increase of 2.9 per cent, linked to the persistence of the domestic gas shortage crisis and the rationing of distribution, whereby households are required to register their family booklet with the local authority (Mukhtar) to receive one cylinder per month.

At the same time, black markets for domestic gas became more active, with prices rising to SYP 285000 compared to SYP 260000 in the previous month.

3.1.2. Food and Non-Alcoholic Beverages Group

Inflationary pressures persisted in the food and non-alcoholic beverages group during March 2026, which recorded a month on month (M-o-M) inflation rate of 3 per cent compared to February levels. This has negatively affected consumers' purchasing power during the period of Ramadan and Eid al-Fitr, amid increased demand for food commodities.

A review of the sub-components of this group shows that pulses and vegetables accounted for the largest share of this inflationary wave, recording an increase of 11.6 per cent. The average price of one kilogram of tomatoes reached approximately SYP 12700 compared to SYP 10500 in the previous month, while potatoes rose to SYP 7400 compared to SYP 6300, and dry onions increased to SYP 7050 compared to SYP 6400 in the previous month. In response to weak domestic supply, the government authorized the import of potatoes during April.

Fruit prices increased by 5.5 per cent, with the price of one kilogram of apples reaching SYP 17850 compared to SYP 16900 in the previous month. The price of lemons rose to SYP 18970 compared to SYP 16700, while bananas increased to SYP 15000 from SYP 12650 in the previous month.

The meat group ranked second, recording an increase of 5.9 per cent. This rise was particularly evident in strategic commodities, as the price of one kilogram of lamb increased from SYP 171000 to SYP 185000, while the price of one kilogram of chicken rose from SYP 39000 to SYP 39500. As a result of the persistence of rising chicken prices, permission to import broiler chicken was extended until the end of April, reflecting the deterioration of domestic production due to government policies related to fuel price liberalization and the resulting increases in production costs.

Other groups also recorded increases, albeit at lower rates compared to meat, pulses, vegetables, and fruits. Prices in the fish and seafood group increased by 2.1 per cent, while the sugar and confectionery group rose by 1.3 per cent. Prices in the milk, dairy, and eggs group increased by 2.2 per cent, and the oils and fats group recorded an increase of 1.9 per cent.

3.1.3. Transport Group

The transport group recorded an increase in its price index of 2.1 per cent in March 2026 compared to the previous month. The official price of one litre of gasoline rose to approximately SYP 10050, up from SYP 9675 in the previous month, while the price of unsubsidized gasoline reached SYP 11900 compared to SYP 11700 previously.

Taxi fares within the city (3 km) also increased to around SYP 23500, up from SYP 23000 in the previous month.

The ongoing regional conflict has contributed to a contraction in fuel supply across regional markets. Nevertheless, the transitional government has maintained the practice of pricing fuel in United States Dollars (USD). However, it applies a specific exchange rate—higher than the prevailing market rate—when converting fuel prices into Syrian Pounds (SYP) at fuel stations.

3.2. Inflation by Governorate

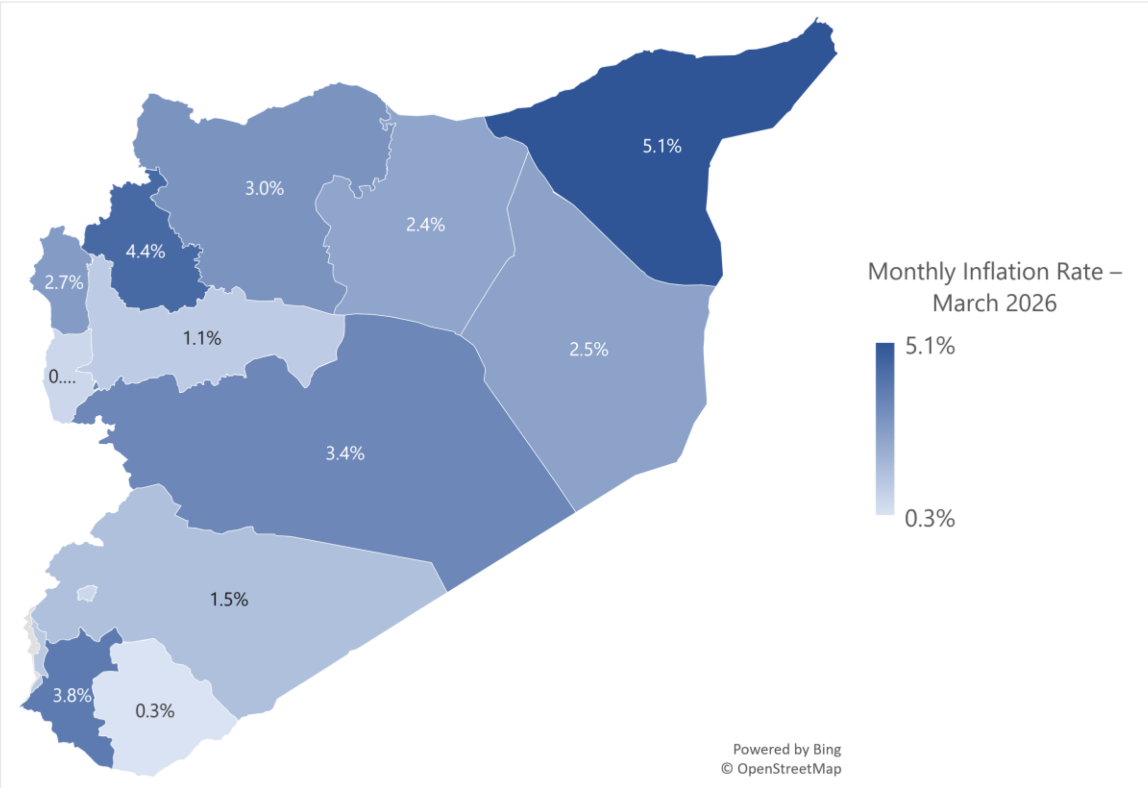
The monthly inflation data for March 2026 reflects the persistence of inflationary pressures across Syrian governorates, following the high inflation wave recorded in February (6.5 per cent). However, this persistence exhibited clear spatial variation, reflecting differences in economic structures as well as monetary and trade linkages between regions.

A number of governorates recorded relatively high inflation rates, including Idleb (4.4 per cent), Al-Hasakeh (5.1 per cent), Dara'a (3.8 per cent), Homs (3.4 per cent), and Aleppo (3 per cent). This indicates the presence of localized inflation drivers, linked to factors such as transportation costs, rising energy and housing costs, as well as the uneven transmission of monetary changes.

Northwest Syria, particularly Idleb and parts of Aleppo, stands out as the most exposed to externally driven inflationary pressures due to its reliance on the Turkish Lira (TL). The depreciation of the TL in the context of regional tensions has led to a direct transmission of inflationary pressures through imported goods prices—especially food and fuel—thereby explaining the persistence of high inflation levels in these areas.

In northeast Syria, Al-Hasakeh recorded the highest inflation rate (5.1 per cent), alongside elevated rates in Ar-Raqqa (2.4 per cent) and Deir-Ezzor (2.5 per cent), reflecting a different set of dynamics. Administrative transformations, local market bottlenecks, and rising costs of housing, transportation, and fuel have played a central role in driving inflation in these areas.

Figure (3): Month on month (M-o-M) Inflation of Consumer Prices by Governorate in Syria – March 2026 (in per cent)



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

Overall, inflation reflects the multiplicity of monetary and economic systems within the country. While some areas tend toward relative stability, others remain more exposed to external shocks—particularly those linked to foreign currencies or unstable supply networks. This dynamic deepens disparities in living conditions and underscores the uneven nature of inflation across Syria's geography.

4. Price Disparities Across Governorates and Monetary Spaces

A comparison of price indices across Syrian governorates in March 2026 reveals both sectoral price variation (across consumption groups) and geographical variation (across governorates). While tradable goods—including agricultural, food, and industrial products—showed a tendency toward relative price convergence, driven by the flow of goods, non-tradable services such as housing, education, and healthcare recorded sharp price differentials. These disparities reflect variations in local production costs and imbalances in supply and demand across markets.

At the sectoral level, price variation within the food and non-alcoholic beverages group remained limited, indicating relative price uniformity in essential commodities such as sugar, rice, and cereals, despite differing local economic conditions across governorates. This structural convergence can be attributed to import liberalization policies and strong integration with international markets, as these goods are priced in foreign currencies before being converted into Syrian Pounds (SYP), making the exchange rate the primary determinant of their price levels.

In contrast, divergence is evident in administratively priced goods such as bread, where the multiplicity of controlling authorities has generated price gaps between regions. Bread prices reached SYP 4000 per kilogram in Transitional Government Areas (SYP-GA), compared to SYP 3000 in areas under the Autonomous Administration (AA) in Al-Hasakeh, highlighting the role of policy interventions in creating artificial price differentials.

Conversely, non-tradable service groups recorded significant price dispersion, reflecting the fragmentation of local markets. This is largely driven by differences in operating costs, as well as variations in income and wage levels between urban and rural areas. This geographical disparity is particularly evident in the real estate sector, where the average monthly rent in Damascus reached approximately SYP 8.16 million, compared to SYP 2.25 million in Tartous and SYP 700000 in Quneitra.

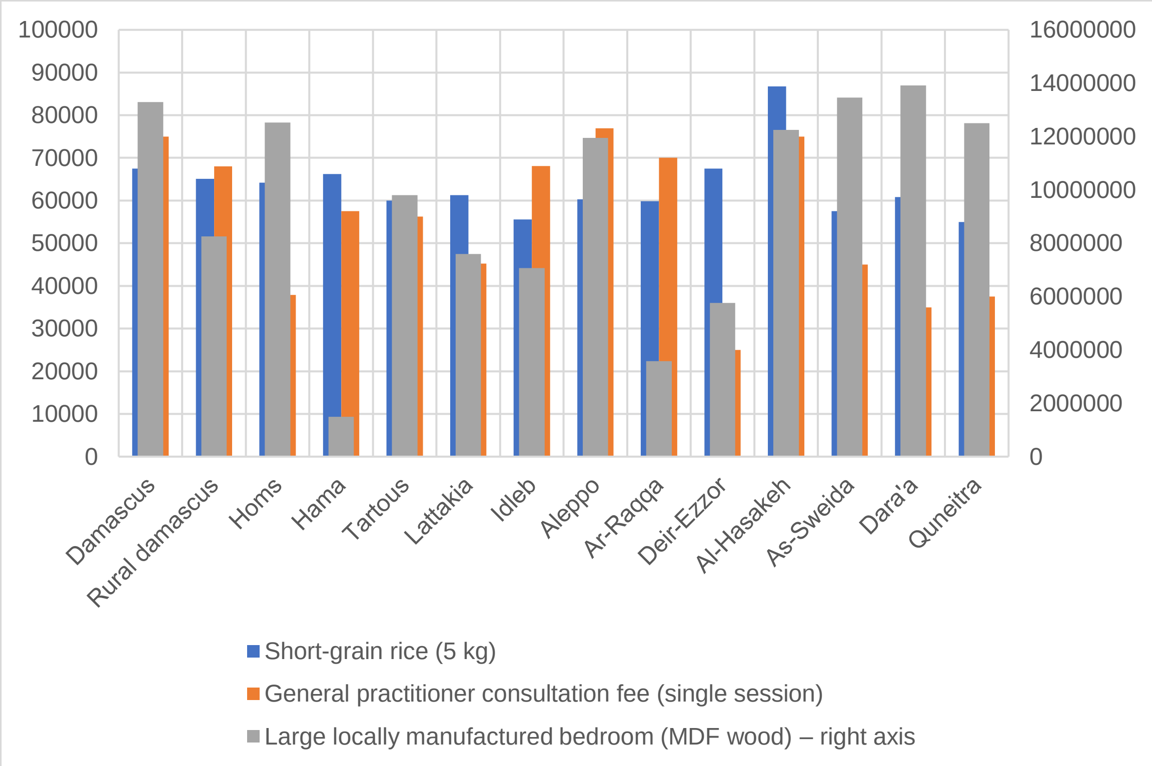
Similarly, private secondary education fees ranged between SYP 12.8 million and SYP 3.25 million depending on the governorate. Notably, recent decisions by the Ministry of Higher Education to unify university tuition fees across Transitional Government Areas for the current academic year have contributed to a relative narrowing of disparities in the education sector.

This pattern extends to healthcare services, particularly in private hospitals, where significant differences persist in hospitalization and medical service costs.

Moreover, the household furnishings group exhibited substantial price variation across governorates, reflecting structural fragmentation in supply chains. For over five years, areas such as Idleb, Aleppo countryside, Deir-Ezzor, Ar-Raqqa, and Al-Hasakeh have relied on the inflow of low-cost imported goods through cross-border trade, resulting in relatively stable prices for durable goods. In contrast, other governorates have depended on locally produced goods, whose production costs have surged following energy price liberalization and the opening of imports. This has led to pronounced price dispersion between regions reliant on direct imports and those affected by rising domestic production and logistical costs.

In a related context, the recreation and culture group also displayed high price variation, reflecting its sensitivity to income levels and effective local demand. As this group comprises largely non-essential goods and services, it is characterized by high income elasticity, making it a strong indicator of disparities in purchasing power and consumption patterns across regions. This structural variation is further linked to unequal distribution of recreational and cultural facilities, as well as differences in household expenditure priorities between economically active governorates and less developed areas.

Figure (4): Comparison of Prices of Selected Goods and Services Across Syrian Governorates, March 2026



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

Currency plurality plays an additional role in shaping these patterns. The Turkish Lira (TL) and the United States Dollar (USD) have been used in Idleb and Aleppo countryside for the past five years, while the rest of the governorates rely primarily on the Syrian Pound (SYP) alongside the USD. This multiplicity leads to differences in pricing benchmarks and affects the mechanisms through which prices are transmitted across regions.

From a policy perspective, the transitional government has pursued a strategy aimed at unifying pricing frameworks for essential goods and energy resources (bread, fuel, and electricity). This has been implemented through the harmonization of customs duties and the extension of the relatively high price ceilings prevailing in northwest Syria (previously under the Syrian Interim Government (SIG) and Syrian Salvation Government (SSG)) to other regions (previously under the Government of Syrian regime (GoS) and Autonomous Administration (AA)).

In parallel, the government has aligned university education costs in northwest Syria with pricing standards applied in other regions by introducing a lower (subsidized) price ceiling.

Overall, these interventions indicate that government policy has sought to reduce spatial disparities through a mechanism of generalized price increases. While this approach has contributed to a degree of price convergence across regions, it has done so at elevated equilibrium levels, thereby increasing the cost-of-living burden on households at the national level.

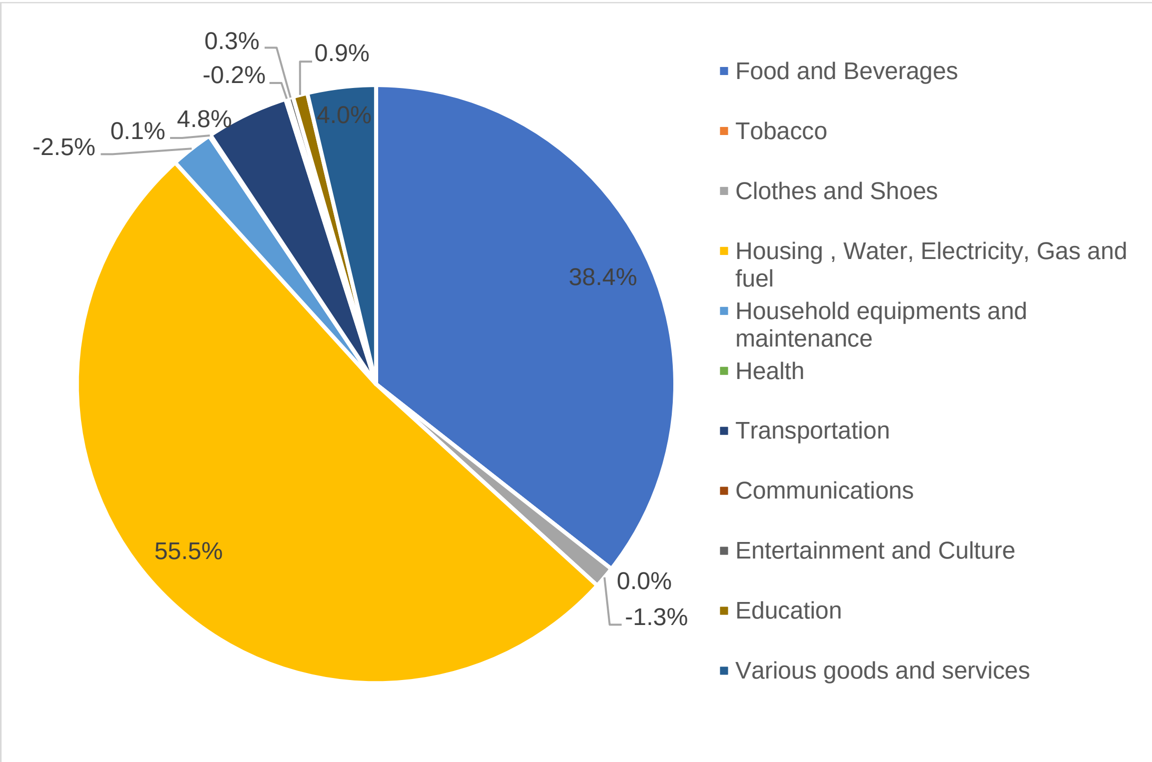
5. Contributors to Inflation

The analysis of contributions to monthly inflation in March 2026 shows that price pressures at the national level (2.6 per cent) were primarily concentrated in three main groups: housing, water, electricity, gas, and other fuels (55.5 per cent), food and non-alcoholic beverages (38.4 per cent), and transport (4.8 per cent).

For the second consecutive month, the greatest weight remained with the housing and energy group, reflecting the transmission of shocks related to the cost of essential services and energy into the overall price level.

The contribution of the transport sector to inflation during this month was also notable, which can be attributed to the government's reliance on exchange rates close to the parallel market rate when adjusting fuel prices. This has led to a rapid pass-through of price increases to transportation costs, as well as to production and overall living costs.

Figure (5): Contribution of Major Consumption Groups to Month on month (M-o-M) Inflation Rate – March 2026 (in per cent)



Source: Syrian Center for Policy Research (2026), Monthly Consumer Price Survey in Syria.

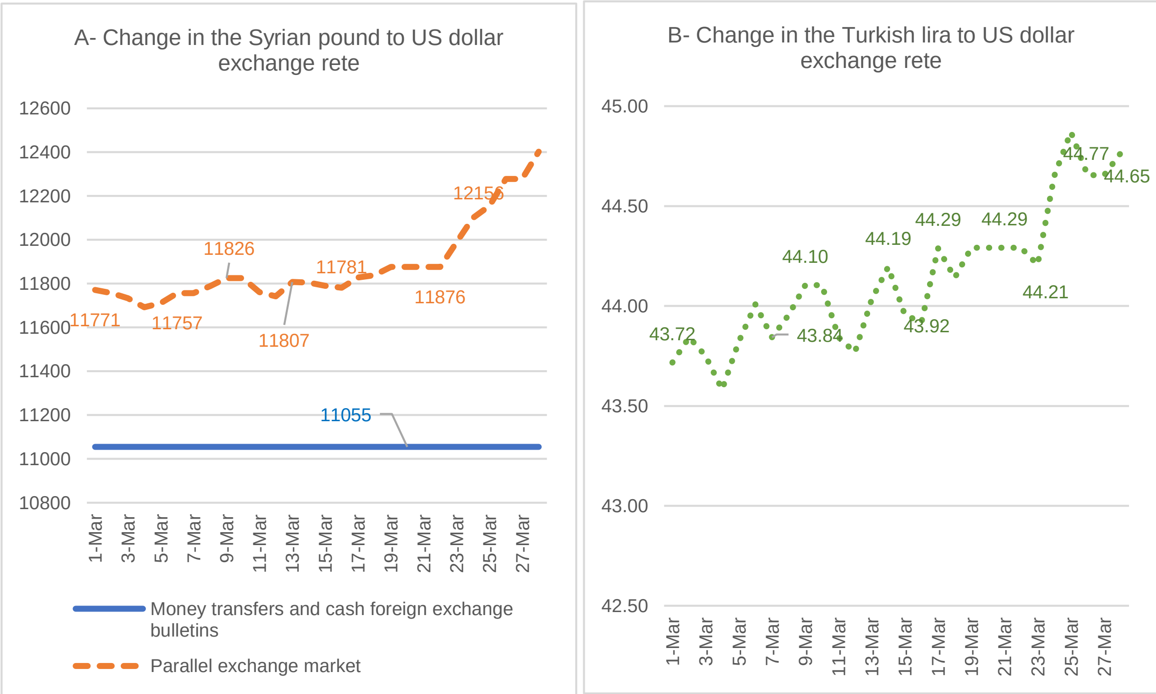
6. Exchange Rate Changes

The Central Bank of Syria continued to maintain the official exchange rate (for remittances and exchange operations) at SYP 11055 per United USD for the tenth consecutive month. Meanwhile, the parallel market experienced notable fluctuations, with the exchange rate ranging between SYP 11771 and SYP 12402 per USD.

Despite this volatility, the Syrian Pound (SYP) recorded a depreciation of 2.4 per cent during March, as the average exchange rate increased to approximately SYP 11930 compared to SYP 11655 in February. The final quarter of the month was also characterized by a sustained downward trend in the value of the SYP against the USD, reflecting, indirectly, the repercussions of the ongoing regional conflict.

In parallel, the Turkish Lira (TL) also depreciated by 1.5 per cent during the same period. Data indicates a fluctuating trajectory in its value, declining from approximately TL 44 per USD at the beginning of the month to around TL 44.8 per USD by the end of the month.

Figure (6): Exchange rate changes of the Syrian Pound and Turkish Lira against USD during March 2026



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

7. Wages in Syria, March 2026

The average monthly wage of a university-educated public sector employee (at entry level) in Syria reached approximately SYP 1.13 million in March 2026. The average monthly wage in the private sector stood at SYP 1.25 million, while employees in the civil sector earned around SYP 2.9 million during the same month.

A comparison of nominal wages (at current prices) across Syrian regions reveals a sharp structural disparity, manifested in a fundamental gap between areas that rely on the Turkish Lira (TL) and those that rely on the Syrian Pound (SYP) within the scope of the transitional government's control. These differences are not linked to labour productivity considerations, thereby reinforcing economic and geographic segmentation among the population.

Moreover, disparities in wage levels are observed across sectors, with wages in both the public and private sectors significantly lower compared to the civil sector. In this context, unskilled labour (daily wage workers) remains the most affected group by economic pressures across all regions and governorates.

Table (2): Average Monthly Wages in Syria during March 2026 (in Syrian Pounds)

	Former Regime Areas	Former SIG and SSG Areas	AA areas (Al-Hasakeh)	Whole of Syria
A- Public sector workers				
Employee Wage (University Professor)	3030000	5617196	3090000	**3324743**
Employee Wage (University Grad)	935000	2360825	1060000	**1134794**
Employee Wage (Basic education)	859028	1390697	1040000	**943913**
B- Private sector workers				
Company Manager Wage	3945584	6732830	4680870	**4385799**
Shop Worker Wage	1160765	1932490	1140000	**1255312**
C- Civil sector workers				
Employee Wage (University Grad)	2644744	4711734	3602088	**2940007**

Note: Wages of workers in former Salvation Government areas are set in US Dollars or their equivalent in Turkish Lira, and workers in former Interim Government areas receive their wages in Turkish Lira. Wage values in this table have been converted to Syrian Pounds for comparison with the rest of the regions.

Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

The wage increase decrees issued in March reflect a deferred implementation timeline, as they do not take effect during the current month but begin to apply in the following month in accordance with the decree provisions. This means that employees did not effectively benefit from the announced 50 per cent increase during March. However, the anticipatory effect of this increase emerged immediately upon the issuance of the decree, as markets experienced noticeable price increases—particularly during the final third of the month—reflecting the rapid transmission of inflation expectations into pricing behavior.

Moreover, the application of the increase to the base salary only limits its effective impact, as its real value declines to lower levels—potentially not exceeding half of the nominal increase—due to rapid absorption through inflation and currency depreciation. The controversy is further intensified by the exclusion of retirees from this increase, which reinforces a form of discrimination between them and active employees, despite retirees having lower incomes and higher sensitivity to inflation in the context of the continuous erosion of purchasing power.

From a geographical perspective, a structural divergence in wage systems is evident between northwest Syria and the rest of the country. In Idleb and Aleppo countryside, where dollarization prevails, workers are paid in United USD, typically ranging between USD 200 and USD 1000 depending on job position, and in some cases significantly higher. In contrast, wage structures in other regions are governed by a unified framework denominated in Syrian Pounds (SYP). Even after the implementation of the announced increase, wages range between SYP 1280000 and SYP 1400000—equivalent to roughly half the prevailing minimum levels in the northwest—highlighting a clear gap in income levels and raising concerns regarding spatial equity in wage distribution.

In addition, the issue of qualitative increases granted to eight specific public entities—including service ministries, oversight bodies, and the Central Bank of Syria—emerges as an indicator of a shift in the logic of wage policy. These increases, enacted through a special decree, are not based on transparent criteria linked to efficiency or productivity. Rather, they reflect a selective pattern in resource allocation, whereby privileges are granted to certain groups over others within the same government apparatus.

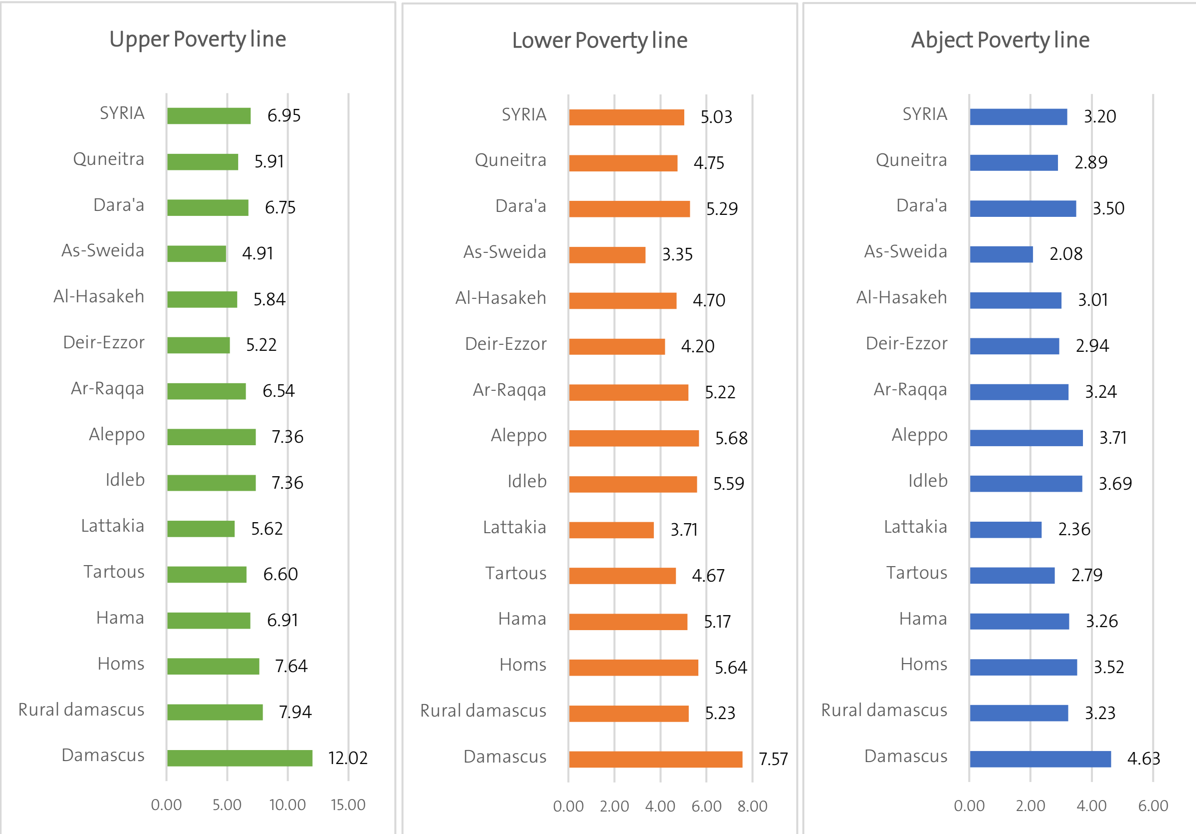
This approach deepens horizontal inequalities among public sector employees, as it becomes difficult to justify disparities between individuals with comparable qualifications and responsibilities across different ministries. In this sense, wage policy shifts from a broad social instrument to a discriminatory tool that reflects sector-specific government priorities, thereby contributing to the reproduction of inequality within the public sector and widening the gap between favoured and marginalized sectors.

8. Poverty Lines in Syria, March 2026

The abject poverty line for a household[12] (as an indicator of food deprivation) at the national level in Syria reached SYP 3.20 million per month in March 2026. The lower poverty line stood at SYP 5.03 million, while the upper poverty line reached SYP 6.95 million.

Poverty lines recorded their highest levels in the governorates of Damascus, Homs, Aleppo, and Rural Damascus, while the lowest values were observed in As-Sweida, Lattakia, Deir-Ezzor, Al-Hasakeh, and Quneitra during March 2026.

Figure (7): Monthly Poverty Lines in Syria during March 2026 (SYP million)



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

Income levels—particularly in the public and private sectors—reflect a severe structural deficit. At the national level, the overall average indicates a sharp shortfall, as the wages of a university-educated public sector employee fall short by 64.5 per cent of the abject poverty line. This gap widens to exceed 83.7 per cent when compared to the upper poverty line. Similarly, wages in the private sector fall short by 60.2 per cent of the abject poverty line and by 81.9 per cent of the upper poverty line.

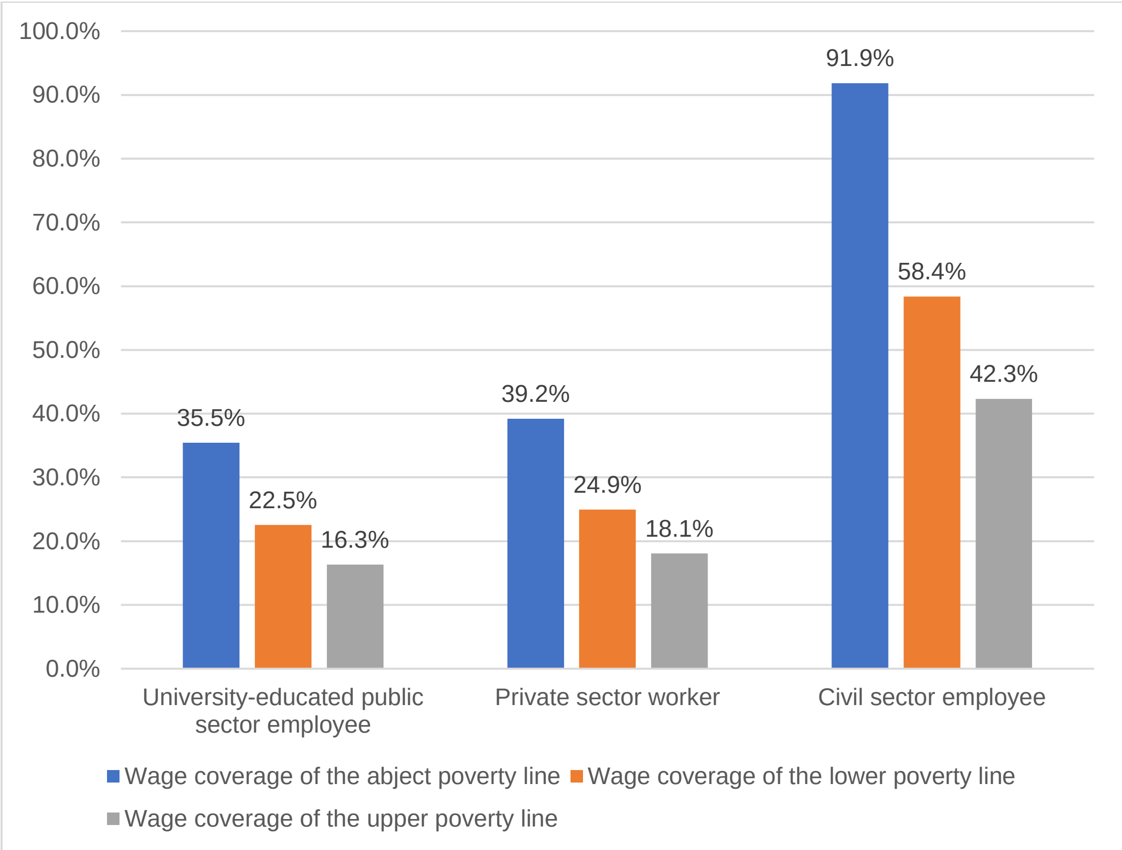
The most acute crisis is concentrated in the public sector, where the monthly wage covers only 35.5 per cent of the abject poverty line, confirming the near-total erosion of the real value of government wages. With respect to the upper poverty line, all employment categories fall below this threshold, indicating that the majority of Syrian households are

[12] Poverty lines (abject, lower, and upper) were calculated by measuring the effect of inflation on the 2009 poverty lines.

living under conditions of abject poverty, unable to meet essential needs alongside expenditures on education, healthcare, and other basic services.

In contrast, the civil sector (linked to non-governmental organizations and external funding) enjoys relatively significant protection, with wages covering 91.9 per cent of the abject poverty line. This suggests that access to external funding has become a primary determinant of economic survival in the Syrian context.

Figure (8): Coverage of Monthly Wages Relative to Poverty Lines in Syria, March 2026 (per cent)



Source: Syrian Center for Policy Research (SCPR) 2026, Monthly Consumer Price Survey in Syria.

9. Conclusion

The findings of the March 2026 bulletin indicate that inflation in the Syrian economy is not a temporary outcome of isolated shocks, but rather the result of a complex and reinforcing interaction between pricing policies, foreign trade dynamics, wage restructuring, and institutional fragmentation across Syrian regions. This pattern reflects an ongoing mechanism of income redistribution within society, whereby policy decisions—such as reducing social subsidies and sharply increasing electricity tariffs—translate into prolonged inflationary waves across multiple sectors, thereby embedding inflation within the economic structure.

This transformation is particularly evident in the evolution of wage policy. In its current form, wage policy no longer performs its traditional role as a tool of social protection; rather, it has become a selective instrument that actively reshapes inequalities within the public sector and across regions. Moreover, the multiplicity of monetary systems (Syrian Pound (SYP), Turkish Lira (TL), and United States Dollar (USD)) has contributed to the fragmentation of the national market, rendering inflation a spatially differentiated phenomenon and reinforcing uneven price transmission mechanisms across regions.

These structural dynamics are clearly reflected in income and poverty outcomes. Poverty indicators and wage coverage ratios reveal sharp disparities across Syrian regions within the context of a chronic cost-of-living gap, suggesting that inflation is translating directly into social inequality. Even after nominal increases, wages remain insufficient to meet minimum living requirements, confirming the limited effectiveness of wage adjustments. At the same time, high electricity costs have emerged as one of the most significant sources of pressure, effectively pushing most Syrian households into a state of implicit indebtedness to the state. This reflects a profound erosion of real incomes and a restructuring of economic survival patterns along increasingly unequal lines.

As a result, vulnerability is not evenly distributed across the population. In this context, the most vulnerable groups—particularly households lacking access to external income sources, war-affected populations, persons with disabilities, retirees, and the unemployed—are the most exposed to deprivation risks, given their limited capacity to adapt to escalating inflationary pressures and the continued rise in essential living costs.

At the same time, inflation is contributing to the emergence of parallel patterns of economic stratification. Conversely, parallel patterns of economic differentiation are emerging, whereby certain groups benefit from access to alternative income sources—either through proximity to power structures and the privileges this entails, or through integration into external funding networks, such as employment with international organizations or receipt of remittances. This unequal access to resources further deepens social and economic divisions, reinforcing disparities in opportunities across both populations and regions.

Taken together, these findings point to the need for a fundamental reorientation of policy responses. The March findings underscore the importance of focusing policy interventions on four key directions. First, adopting a transparent and unified wage scale within the public sector to reduce unjustified disparities among employees with comparable qualifications and responsibilities, thereby restoring coherence in income structures. Second, linking wages periodically to poverty lines and cost-of-living indicators, rather than relying on sporadic nominal increases, in order to maintain real income stability. Third, directing support and protection toward the core components of daily life reproduction—

housing, electricity, transport, food, education, and healthcare—where inflationary pressures are most concentrated. Fourth, reorienting public finance from a logic of accounting surplus and easy revenue extraction toward public investment and essential service provision, as addressing inflation without addressing income and service delivery will leave the social crisis unresolved, even if monthly inflation rates decline.

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Annexes

Annex (1): Consumer Price Index in Syria by Major Consumption Groups and Governorate in March 2026, (2021 = 100)

	Damascus	Rural Damascus	Homs	Hama	Tartous	Lattakia	Idleb	Aleppo	Ar-Raqqa	Deir-Ezzor	Al-Hasakeh	As-Sweida	Dara'a	Quneitra	SYRIA
All commodities	1,314	1,054	1,330	1,079	1,094	967	862	1,169	875	857	920	992	984	1,073	918
Food and non-alcoholic beverages	774	730	783	783	699	713	789	760	708	875	818	648	719	745	694
Tobacco	659	806	658	543	535	544	513	782	453	565	608	710	491	483	598
Clothing and Shoes	620	608	540	732	613	703	828	818	402	597	924	785	526	518	623
Housing, water, electricity, gas, and other fuels	2,239	2,019	2,806	2,199	2,128	1,908	1,328	1,810	1,687	1,105	1,251	2,109	2,195	2,078	1,628
Household equipment and maintenance	789	615	630	897	450	425	636	594	579	579	1,170	485	701	546	583
Health	881	872	833	817	764	729	641	986	818	828	855	972	1,219	701	826
Transportation	1,183	1,152	1,299	1,152	1,190	1,268	528	806	1,069	893	966	993	695	1,316	881
Communications	330	329	330	330	327	328	46	337	330	333	332	332	332	329	202
Culture and entertainment	421	612	491	358	352	461	588	613	700	593	504	485	467	328	481
Education	785	910	1,117	927	1,170	841	1,268	982	1,032	818	1,088	924	993	1,058	873
Various goods and services	880	932	1,053	867	958	641	819	863	922	815	805	1,006	892	1,370	874

Source: Syrian Center for Policy Research, Monthly consumer price survey in Syria 2026.

The Syrian Center for Policy Research is an independent, non-governmental, and non-profit research institution established in 2012. It plays a leading role in scientific and knowledge production in Syria and the region. The Center works to bridge the gap between research and policymaking and contributes to the development of evidence-based, participatory dialogue, with the aim of advancing policy alternatives that promote inclusive, human-centered sustainable development.

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